

Message Text

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ACTION NEA-10

INFO OCT-01 ISO-00 NEAE-00 OES-03 AID-05 IO-11 ERDA-05

ERDE-00 ACDA-05 NRC-05 NSCE-00 SSO-00 CIAE-00 INR-07

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O 051300Z MAR 76

FM AMEMBASSY NEW DELHI

TO SECSTATE WASHDC IMMEDIATE 4460

C O N F I D E N T I A L NEW DELHI 3407

FOLLOWING TEL BOMBAY 0566 DTD 05 MAR 76 RCVD NEW DELHI
BEING REPEATED TO YOU. QUOTE

C O N F I D E N T I A L BOMBAY 0566

EO 11652: GDS

TAGS: TECH ENRG IN

SUBJECT: TARAPUR NUCLEAR FUEL EXPORT LICENSE

REF: STATE 52153

1. AS J.C.SHAH, LIKE CHAIRMAN SETHNA, IS OUT OF TOWN FOR THE DURATION OF THIS WEEK, THERE IS NO ONE AT EITHER THE IAEC OR AT THE INDIAN ATOMIC POWER AUTHORITY WHO CAN OFFICIALLY CONFIRM OR PROVIDE DATA TO SUPPORT CHAIRMAN SETHNA'S AND J.C.SHAH'S STATEMENTS THAT MARCH 15 IS THE ULTIMATE DATE FOR RECEIPT OF ENRICHED URANIUM TO AVOID ALOWDOWN AND PERHAPS EVENTUALLY SHUTDOWN OF TARAPUR POWER REACTORS. HOWEVER, CONGEN DID MANAGE TO TALK WITH A SENIOR TECHNICIAN WHO IS WELL VERSED ON THIS SUBJECT AND WHO PROVIDED CONSIDERABLE DETAIL TO THROW LIGHT ON EFFECT ON NON-RECEIPT OF ENRICHED URANIUM. IN VIEW OF SETHNA'S EXTREME SENSITIVITY ABOUT QUOTING ALMOST ANYONE OTHER THAN HIMSELF ON MATTERS OF GREAT IMPORTANCE TO INDIA'S NUCLEAR PROGRAMS, WE WILL NOT BE ABLE TO PUBLICLY CITE IAEC OFFICIAL AS SOURCE OF THIS INFORMATION

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ALTHOUGH CONGEN IS QUITE CONFIDENT OF ITS ACCURACY AND THAT IT

WILL ULTIMATELY BE BASIS OF WHATEVER PUBLIC STATEMENT SETHNA PROVIDES ON THIS POINT.

2. IAEC SOURCE SAYS THAT PROBLEM HAS TO BE VIEWED IN TERMS OF NFC PRODUCTION CAPACITY AND PROCESS. HE OUTLINED PROBLEM AS FOLLOWS: HEXAFLORIDE (UF-6), THE ENRICHED URANIUM PROVIDED BY THE US, IS CONVERTED INTO PELLETS OF URANIUM OXIDE, WHICH, IN TURN, ARE INSERTED INTO THE FUEL RODS WHICH EVENTUALLY ARE GROUPED TOGETHER INTO BUNDLES OF 36 EACH FOR LOADING INTO REACTORS. EACH BUNDLE IS MADE UP OF RODS CONTAINING THREE DIFFERENT ENRICHMENTS, THE GE SYSTEM PURCHASED BY THE IAEC. THE BREAKDOWN OF VARIOUS ENRICHMENTS IN EACH BUNDLE IS APPROXIMATELY 22, 11 AND 3. AS THE URANIUM HEXAFLORIDE IS PURCHASED IN CYLINDERS CONTAINING 1.5 TONS EACH, THE VARIOUS ENRICHMENTS ARE MADE IN BATCHES WHICH ALLOWS THE NFC TO USE UP COMPLETE CYLINDERS SO AT ANY ONE TIME THERE ARE A FEW SPARE RODS OF VARIOUS ENRICHMENTS IN INVENTORY. ANOTHER COMPLI- CATION IN THE PRODUCTION PROCESS IS THAT THE FACILITY HAS TO BE COMPLETELY CLEANED UP AFTER EACH PARTICULAR SET OF ENRICHMENT RODS ARE RUN THROUGH.

3. OUR SOURCE ESTIMATES THAT THE COMPLETE LEAD TIME FROM APPROVAL OF THE LICENSE APPLICATION TO COMPLETION OF AN INTEGRATED BUNDLE IS 9 TO 11 MONTHS, INCLUDING AN AVERAGE OCEAN SHIPMENT TIME OF 60 DAYS. AFTER ARRIVAL AT HYDERABAD, 5-1/2 TO 6 MONTHS ARE REQUIRED FOR THE COMPLETION OF THE INTEGRATED BUNDLES OF 36 RODS. THE ANNUAL NEEDS OF THE TWIN TARAPUR REACTORS ARE FOR 130 RODS. THE CAPACITY OF THE NFC FOR PRODUCTION OF TARAPUR TYPE FUEL IS ESTIMATED AT 10 PER CENT GREATER THAN THE NEEDS OF TARAPUR AND MIGHT UNDER ALL-OUT OPERATIONAL PUSH REACH 150 RODS PER YEAR.

4. ON MARCH 15, OR THEREABOUTS - BUT CERTAINLY NOT LATER THAN APRIL 15 - THE NFC PRODUCTION SCHEDULE FOR TARAPUR WILL BE SLOWED DOWN AS THE FACILITY WILL NO LONGER HAVE SUPPLIES OF THE THREE GRADES OF ENRICHED URANIUM REQUIRED FOR TARAPUR. SOMETIME IN APRIL OR MAY THE OUTPUT AT TARAPUR WOULD HAVE TO BE REDUCED AND WITHIN 5 TO 6 MONTHS, BARRING A NEW SUPPLY OR ALTERNATIVE SOURCES WHICH I AM TOLD NO ONE AT THE IAEC CAN FORESEE, TARAPUR WOULD SHUT DOWN COMPLETELY, ASSUMING THAT IT OPERATES UP TO THAT POINT TO THE MAXIMUM POSSIBLE WITH THE FUEL AVAILABLE.

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5. MY SOURCE STRESSED THAT THESE DATA ARE ESSENTIALLY CORRECT, BUT THERE ARE SOME FLEXIBILITIES IN THE DEADLINES, BUT THEY ARE NOT GREAT. HE EMPHASIZED THAT UNLESS FUEL IS FORTHCOMING FOR TARAPUR WITHIN THE NEXT 2 OR 3 WEEKS, SOME ADDITIONAL ELECTRICITY CUTBACKS IN WESTERN INDIA WILL ENSUE AND ANY PROTRACTED DELAYS, LIKE 2 OR 3 MONTHS, WILL ALMOST CERTAINLY RESULT IN MAJOR NEW RESTRICTIONS ON ELECTRICITY USAGE. WE ARE REPORTING SEPARATELY A 3DAY ELECTRICITY HOLIDAY THAT WILL BE NECESSARY BECAUSE OF THE

SHUTDOWN OF MAHARASHTRA'S MAJOR HYDRO FACILITY WHICH CURRENTLY HAS
INSTALLED CAPACITY OF ABOUT 550 MW IN ORDER TO PUT IN TWO
ADDITIONAL GENERATORS OF 60 AND 80 MW. THIS ILLUSTRATES THE
PROBLEM WESTERN INDIA IS NOW ENCOUNTERING IN MEETING ITS POWER
REQUIREMENTS. THEY HAVE INSUFFICIENT CAPACITY TO MEET
ESSENTIAL INDUSTRIAL AND COMMERCIAL DEMANDS, SO ANY REDUCTION
CUTS IMMEDIATELY AND SHARPLY INTO EMPLOYMENT AND INCOME.
COURTNEY

UNQUOTE
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